

**ASSEMBLY BILL**

**No. 1877**

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**Introduced by Assembly Members Olsen and Ma**

February 22, 2012

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An act to amend Section 7500.3 of the Business and Professions Code, relating to repossessionors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1877, as introduced, Olsen. Repossession agencies: exemptions.

Existing law, the Collateral Recovery Act, provides for the licensure and regulation of repossession agencies by the Bureau of Security and Investigative Services under the supervision and control of the Director of Consumer Affairs. The act provides that a repossession agency does not include the legal owner of collateral that is subject to a security agreement or a bona fide employee of the legal owner of collateral that is subject to a security agreement.

This bill would add that a repossession agency does not include the bona fide agent of the legal owner of collateral that is subject to a security agreement.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 7500.3 of the Business and Professions
- 2 Code is amended to read:
- 3 7500.3. A repossession agency shall not include any of the
- 4 following:

1 (a) Any bank subject to the jurisdiction of the Commissioner  
2 of Financial Institutions of the State of California under Division  
3 1 (commencing with Section 99) of the Financial Code or the  
4 Comptroller of the Currency of the United States.

5 (b) Any person organized, chartered, or holding a license or  
6 authorization certificate to make loans pursuant to the laws of this  
7 state or the United States who is subject to supervision by any  
8 official or agency of this state or the United States.

9 (c) An attorney at law in performing his or her duties as an  
10 attorney at law.

11 (d) The legal owner of collateral that is subject to a security  
12 agreement, *a bona fide agent of the legal owner of collateral that*  
13 *is subject to a security agreement*, or a bona fide employee  
14 employed exclusively and regularly by the legal owner of collateral  
15 that is subject to a security agreement. With regard to collateral  
16 subject to registration under the Vehicle Code, the legal owner  
17 shall be the legal owner listed on the records of the Department  
18 of Motor Vehicles or the seller or lessor named on a valid  
19 conditional sales contract or rental or lease agreement if the seller  
20 or lessor is a licensed vehicle dealer as defined in Section 285 of  
21 the Vehicle Code.

22 (e) An officer or employee of the United States of America, or  
23 of this state or a political subdivision thereof, while the officer or  
24 employee is engaged in the performance of his or her official  
25 duties.

26 (f) A qualified certificate holder or a registrant when performing  
27 services for, or on behalf of, a licensee.